

From: "Michael Rasmussen" <mrasmusen@corp-integrity.com>
Subject: **3rd Party Risk & Compliance - A Significant Challenge for Large Organizations**
Date: November 24, 2008 2:58:44 PM CST
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November 24, 2008 - Corporate Integrity News & Events

Friends & Colleagues,

Issues impacting corporate governance, risk management, and compliance are abundant. Corporate Integrity (CI) has identified [27 issue areas that organizations struggle with in risk and compliance](#) - **THOUGH** the one that is keeping CI research and advisory the busiest is 3rd party risk and compliance management.

What do you mean by 3rd party risk & compliance?

Third party risk and compliance is a generic term - specific industries and organizations may refer to it as supply chain, vendor, or service provider risk and compliance management. The impact of the extended enterprise is significant on business. Organizations are dealing with numerous and global relationships. There are also specific pressures within industries to formally manage 3rd party risk (i.e., the [FDIC released guidance this past summer requiring banks to manage 3rd party risk](#)).

The specific risk and compliance concerns impacting 3rd party relationships extend across a range of issues - international labor standards, code of conduct, corporate social responsibility, operational risks, supply chain risks, environmental, health and safety, security, privacy, quality . . . the list of issues across industries is expansive.

Core processes that organizations require to manage 3rd party risk and compliance include:

- Definition and modeling of relationship, risks, compliance issues, and controls with extended business relationships;
- Communication and attestation of policies, procedures, and code of conduct;
- Delivery of compliance and code of conduct eLearning/training content;
- Ability to have business partners conduct self-assessments of risk, compliance, and controls;
- Interface for consultants and auditors to validate risk and controls and exercise right to audit clauses;
- Provide a platform for risk and compliance intelligence where the company can be alerted to new developments and issues that could impact specific relationships and/or geographies; and,
- Assessment and scoring of risk based on the business relationship and status of assessment/audit findings.

Large organizations around the world struggle and are actively looking for solutions and service offerings to answer these 3rd party risk and compliance relationship processes. Just in the past few months Corporate Integrity has interacted with several large and medium-sized banks, a major food retailer, Fortune 100 retailers, entertainment conglomerate, high-tech manufacturers, life sciences firm, insurance, major pharmaceutical benefits provider, and more. In one firm I sit on the social accountability advisory board aimed at managing international labor standards, workplace safety, and code of conduct across 5000+ vendors in a global supply chain. These issues are significant, overwhelming, growing, getting more complex, and not going away.

This is a particular golden opportunity for technology providers that provide a Software as a Service (SaaS) offering - as organizations are reluctant to open up their internal networks to accomplish 3rd party risk and compliance management.

A few technology and service providers that CI's research has revealed delivering solutions in this area include:

- **Archer Technologies**. Archer has provided a vendor management solution that several companies, including major banks, have utilized to manage risk and compliance. They have shown particular traction for this offering with financial services organizations.
- **Axentis**. Axentis delivers a SaaS platform that is being used by several clients to communicate policies, deliver training, and conduct self-assessments. This includes work for major life sciences firms and their web of business relationships.
- **Compliance 360**. C360 has worked with a few customers in this area, including a major retailer to communicate and manage code of conduct across suppliers.
- **Intertek**. Intertek is not a software vendor, but provides an outsourced 3rd party risk and compliance offering to major Fortune brands. This includes a technology component though the service is packaged in away to outsource the whole process of 3rd party risk and compliance - including independent audits.

This is just a quick synopsis of a very intricate issue that organizations are struggling with. Corporate Integrity welcomes your comments and thoughts on this topic in our [blog](#).

Workshop - **Information Risk & Compliance: From Vision to Implementation**

Information risk management (IRM) has evolved significantly over the past several years. What used to be information security and buried deep within IT operations has now become a relevant risk management discipline that is also impacted by numerous compliance demands. As a result, many organizations struggle to redefine their information risk and compliance function as they focus on fighting the fires burning within risk and compliance mandates.

Corporate Integrity presents a workshop focused on helping organizations define and build a viable information risk and compliance function within business. Attendees will learn how to define a corporate vision for IRM that meets your company's needs. Discover how to create essential IRM policies and methodologies. Finish the day learning how to create a successful plan to support and integrate any technologies that deliver a sustainable, consistent, and efficient information risk & compliance program.

How you will benefit . . .

- Develop a charter and mission statement for information risk and compliance
- Build better relationships across the business to communicate and collaborate on risk and compliance issues
- Structure policies and procedures for information risk and compliance
- Define common processes for information risk and compliance management
- Manage information risk and compliance across 3rd party relationships
- Utilize technology to bring efficiency to risk and compliance management

Milwaukee area, Wisconsin, USA
Date: December 18, 2008 8AM-5PM

Workshop - **GRC Fundamentals for Technology Providers**

- *Do you have new sales, marketing, professional service, or product staff?*
- *Can you afford for them to learn the GRC ropes over months in the competitive school of hard knocks?*

Today's complex and competitive GRC market demands that you be at the top of your game. This requires a detailed understanding of what GRC is all about, who the buying roles are, what their specific issues and needs are, how to reach them, and how to fend off competitors. Corporate Integrity offers the GRC Fundamentals course as a workshop to train new sales, marketing, professional services, and product managers. Through the GRC Fundamentals workshop, attendees will gain an understanding of the roles of GRC, the interactions of GRC personnel, the drivers and trends in the market, the market landscape of products and services, and techniques for making purchase decisions.

San Jose Marriott, San Jose, California, USA
Date: January 19, 2009 8AM-5PM

"Corporate Integrity's GRC Fundamentals Workshop proved to be a valuable and insightful session on the fundamentals of GRC. Michael addressed the strategic value of GRC solutions, highlighting how GRC can help enterprises better manage their risk and compliance initiatives in the increasingly complex global regulatory environment. Building on those foundational principles, Michael helped navigate the maze of GRC buyers and clarified how to address their specific needs within their roles. Very informative yet practical enough to implement immediately - it was time well spent!"

Marc Camm, SVP & GM, Governance, Risk and Compliance Products for CA (Computer Associates)

Recorded Webinar - [GRC 2.0 the GRC EcoSystem](#)

GRC (Governance, Risk, and Compliance) has had a lot of momentum over the past five years. However, there is still a significant amount of confusion as to what it is and how to get your arms around it. Michael Rasmussen - the first to define and model a market for products and services and label it GRC - now presents GRC 2.0 - the GRC.EcoSystem.

The purpose of this webinar is to give the attendee a solid definition of GRC that wholly embraces governance, risk, and compliance and identify a taxonomy that maps the overall solution offerings of GRC with their related technologies, professional services, and knowledge providers.

- Discover a solid definition of GRC that wholly embraces governance, risk, and compliance. Examine current GRC Drivers & Trends and the state of today's GRC market landscape.
- Identify a taxonomy that maps the overall solution offerings of GRC with their related technologies, professional services, and knowledge providers.
- Understand the definitions of the GRC.EcoSystem: the roles buying GRC products & services, and the GRC.EcoSystem's Solution Offerings, Technology Offerings, Knowledge Offerings, and Service Offerings.

This teleconference features the culmination of our research into a new market model and approach to governance, risk, and compliance.

2009 Risk & Compliance Strategy Planning

Corporate Integrity is actively engaged in helping organizations plan their 2009 risk and compliance strategies. If you need a few hours of advisory time on the phone or in person to help plan your 2009 priorities and wish to understand drivers, trends, best practices, and the landscape of professional services and technology - contact me at my email below.

Sincerely,
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